

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA258-16-AP-0250

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source:

Manufacturer/Contractor: Philips Healthcare

Manufacturer/Contractor POC & phone number: 978-659-4278

Mfrgr/Contractor Address: 3000 Minuteman Rd., M/S 5301, Andover, MA 01810

Dealer/Rep address/phone number: 978-659-4278

☒ The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

Amarillo VA Health Care System

(AVAHCS)

6010 Amarillo Blvd. West

Amarillo, TX 79106

VISN:

17

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

The Department of Veterans Affairs, Amarillo VA Health Care System (AVAHCS), located at 6010 Amarillo Blvd. West, Amarillo, Texas 79106, requires Telemetry Equipment upgrades and relocation for new patient care areas of the hospital. The AVAHCS intends to enter into a firm-fixed-price delivery order with Philips Healthcare, 3000 Minuteman Rd., Andover, MA 01810, under mandatory Federal Supply Schedule (FSS) National Acquisition Center (NAC) contract V797P-2238D.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

The proposed acquisition is to upgrade and relocation the telemetry patient monitoring system within the AVAHCS. The currently installed system was originally manufactured by Philips Healthcare and was installed in 2008. The equipment is essential for patient safety and monitoring in the new Emergency Department, which has been relocated to a new area of the hospital main facility. The system also requires significant hardware and software upgrades to be performed during the equipment relocation process. All hardware and software is proprietary to the original equipment manufacturer.

(b) ESTIMATED DOLLAR VALUE: [REDACTED]

(c) REQUIRED DELIVERY DATE: 03/01/2016

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE. (CHECK ALL THAT APPLY AND COMPLETE)

☒ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

The patient monitoring equipment already employed at the AVAHCS provides the minimum requirements needed for effective, safe, and timely patient care. The equipment is in good repair and not in need of full replacement. The system can benefit from hardware and system upgrades. In addition, the equipment must be moved to the AVAHCS new Emergency Department. The equipment hardware and software are proprietary to Philips Healthcare. Philips Healthcare does partner with a small business, The Janz Corporation, for the sale and installation of new equipment. The Janz Corporation was contacted and has declined to provide a quotation for the work, and does not wish to perform the requirements. Therefore, the necessary hardware, software, and installation expertise cannot be acquired from any other source.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is:
(If FAR 8.405-6(a)(2)(iii) before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)
The currently installed equipment is proprietary to Philips Healthcare, to include [REDACTED]

☒ These are "direct replacements" parts/components for existing equipment.
All hardware represents direct upgrade parts and components for the currently installed Philips Healthcare telemetry system.

☐ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

GSA has already determined that prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by 8.405-2(d). By placing an order against a schedule contract using the procedures in 8.405, the ordering activity has concluded that the order represents the best value (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs.

In addition, pricing was determined to be fair and reasonable based upon customary industry pricing; the government is receiving a [REDACTED] for hardware over pricing offered to industry. A price evaluation was conducted in accordance with FAR 8.405-2(d).

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

A search of GSA e-Library revealed Federal Supply Schedule (FSS) 65 II A – Medical Equipment and Supplies, category A-50A – Medical Equipment and Supplies, has been identified as containing contractors capable of satisfying the government's minimum requirements. The schedule category contains fifty-one (51) potential contractors; these contractors were contacted concerning the telemetry equipment upgrades and relocation required by the AVAHCS. Of those contacted, two (2) responses were received from industry indicating they were capable of performing the required upgrades and relocations. Those were Philips Healthcare, and the Janz Corporation, a small business partner to Philips Healthcare. The Janz Corporation declined to provide a quotation, because the AVAHCS requires upgrades and relocation, not newly installed equipment. It was confirmed that Philips Healthcare holds a current National Acquisition Center (NAC) contract under the above referenced FSS, under V797P-2238D. No other contractors could be determined willing or able to provide the upgrade and relocation. No other small business concerns are available. No additional market research was conducted due to the use of mandatory FSS.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

The original equipment was purchased in 11/04/2008 in the amount of [REDACTED] an eCMS contract file could not be located. The scheduled opening of the new AVAHCS Emergency Department is set for 03/21/2016; the Philips equipment must be moved and upgraded prior to this date. According to Representative Mitch Atkinson, of Philips Healthcare, they will need [REDACTED] completion.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

At this time, no actions can be taken at this time to remove or overcome barriers that led to the restricted consideration. The equipment in need of upgrade and relocation is proprietary to the original equipment manufacturer and all third party contractors have declined to provide quotation.

(9) REQUIREMENTS CERTIFICATION: I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

SIGNATURE

02/17/2016

DATE

Thomas C. Henderson

Supervisor

Engineering/Biomedical

NAME

TITLE

SERVICE LINE/SECTION

Amarillo V.A. Health Care Systems

FACILITY

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM, Volume 6, Chapter VI: OFOC SOP: *This part is filled out by Contracting Staff as part of the Justification*

a. CONTRACTING OFFICER'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

CONTRACTING OFFICER'S SIGNATURE

02/17/2016

DATE

Michael J. Tusinger

SAO West NCO 18

NAME AND TITLE

FACILITY

b. Director of Contracting/DESIGNEE: I certify that the foregoing justification is accurate and complete

DATE

Sabrina J. Smith
NCO/PCO 18 Director of Contracting